

February 9, 2023

Senator Wobbema
State of North Dakota
State Capitol
600 East Boulevard Ave
Bismark, ND 58505

Dear Chairman Wobbema and members of the Workforce Development Committee:

On behalf of the North Dakota State Board of Accountancy, we appreciate the opportunity to comment on Senate Bill 2184, which relates to uniform regulation of occupations and professions. **The North Dakota State Board of Accountancy opposes SB 2184.**

The North Dakota State Board of Accountancy currently has laws and rules in place addressing all the requirements of this proposed bill. Further, current law and rules are in place that specifically address the licensing of foreign license holders. Unlike most professional licensures, our current law and rules allow for portability of licensure, meaning that as long as the licensee is in good standing with their home jurisdiction or another jurisdiction of the United States of America they are able to practice accounting in the State of North Dakota. The single restriction to this would occur if the licensee plans to perform an attestation function (Audits, Reviews or Compilations) in the State of North Dakota. In this situation, their firm is required to be licensed in North Dakota. This does not prohibit the individual from providing tax or consulting services. The licensing process is streamlined and the cost is nominal. Once the firm applies for a license, as long as the firm is in good standing in their home state (jurisdiction) the license is granted.

Additionally, section 54-10-27.1 is proposed to be amended to require the boards to be audited by the State Auditor's Office. This would put an extreme burden on the State Auditor's Office and likely cause a burden on the licensing boards. As the board that regulates the licensees that perform audits we feel it is in the best interest of the public to require audits by a firm licensed by the North Dakota State Board of Accountancy or the State Auditor. This will allow boards to secure a firm or the Auditors office depending on what fits best with the boards fiscal and timing needs. Further, we feel it is appropriate that the boards be audited annually, not bi-annually as this increases the protection of the public related to the fiscal operations of the board.

Lastly section 54-10-27.3 is requiring the audit or annual report to indicate what the purpose is to retain undesignated funds in excess of \$250,000. Although we do feel it is appropriate for the boards to provide reasons for funds in excess of a certain dollar amount, we would recommend that the definition be for funds in excess of the boards annual budget would be a more appropriate level.



Board of Accountancy

The North Dakota State Board of Accountancy is pleased to assist you and your staff as this bill is considered. Please contact me if you have any questions.

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